

Before I head out to attend the World Economic Forum in Switzerland, I wanted to take a few minutes to talk with you about the aggressive new energy proposal President Bush announced in the State of the Union last night.

I think you will agree that this is an exciting time for the Department of Energy. Once again, the President has put the issues of this department on center stage.

This morning I had the pleasure of joining President Bush in Delaware to tour DuPont's Experimental Station - a partnership with BP that is developing biobutanol, an innovative new alternative fuel. While there, he and I talked about the critical role that DOE will play in implementing his new energy security proposal.

The plan he proposed is comprised of bold new initiatives that are good for us here at home... and for the rest of the world... because energy security is a goal we share with all nations.

With the blueprint he outlined last night, we will achieve greater energy security. He has given us policy guidance that will drive the basic science and R&D capabilities of this department, and he has challenged us to work with the private sector to achieve the goals he laid out.

Building on the foundation established by the Advanced Energy Initiative (AEI) from last year's State of the Union address, the President is betting on our labs and their scientists...he is betting on technology and innovation to ultimately wean us from our reliance on foreign oil and our vulnerability to hostile regimes and to terrorists. He has issued a challenge to us at the Department of Energy, and I know that we will rise to that challenge.

The centerpiece of the President's proposal is to cut the projected use of gasoline by 20% over the next ten years. To achieve that, he announced a new Alternative Fuel Standard that will require that the U.S. use 35 billion gallons of alternative fuels by 2017, reducing projected gasoline consumption by 15%. The success of this initiative will rest on our ability to accelerate the market penetration of alternatives to gasoline including cellulosic ethanol, butanol and biodiesel.

I know that many of you in the Department are already deeply involved in the efforts to develop and increase the cost competitiveness of these clean fuels. And I know that all of you are very aware that Congress has yet to act on the President's AEI funding proposals for FY 2007. In addition to working with Congress to enact the policies he announced last night, I will continue to encourage all members of Congress to fund the AEI and give you the resources you need to make significant progress.

As the second part of his energy security proposal, the President also asked Congress to give the administration the authority to reform the fuel efficiency system for passenger cars, as we have already done for light trucks and SUVs. With that authority, the

Department of Transportation will be able to increase fuel economy standards for cars without sacrificing safety. We believe the projected gains in mileage could save another 5% of our projected gasoline usage in 2017.

The last part of his plan is a proposal to double the size our Strategic Petroleum Reserve to about 1.5 billion barrels of oil over the next 20 years, something DOE will be intimately involved in executing. This is prudent policy and will contribute to our national and economic security.

Energy security is a bipartisan priority – an important point in Washington these days. As I sat in the House Chamber last night, it was thrilling to look at the Senators and Representatives on both side of the aisle stand up to cheer for the President's energy proposal. I believe that the bipartisan spirit will go a long way towards getting these policies enacted.

Our work is cut out for us, and some have said that it will take a technological breakthrough to achieve the alternative fuel goal the President announced. I believe they're right, but I also believe that thanks to the hard work and dedication of many people in this Department, the extraordinary talent of our nation's scientists, and the ingenuity of the private sector, we can deliver for the President and for the American people.

Thanks for all you do to support the President's initiatives and the Department's agenda. As you know, we will roll out the Department's budget proposal in just under two weeks. I look forward to talking with you again at that time. Remember, you can always get in touch with me at The.Secretary@hq.doe.gov.

Sam Bodman